Distribution of subsidy to the farmers

@3579. SHRI V. NARAYANASAMY: Will the PRIME MINISTER be pleased to state:

(a) whether Government are giving fertilizer subsidy of Rs. 6500 crores for the financial year 1992-93; and

(b) if so, whether Government have worked out any strategy for distribution of subsidy to the farmers since it was taken by the fertilizer units depriving the farmers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The total requirements of subsidy in the current year, including the obligations for the current year and carry over from the previous year, is likely to be Rs. 6577 crores. However, the allocation made in the budget for 1992-93 at this stage is Rs. 5000 crores.

(b) Subsidy is paid by the Government on controlled fertilizers with a view to bringing down prices to be paid by the farmers. Under the retention price-cum-subsidy scheme the subsidy is routed through the manufactures to compensate them for lower realisation in the form of notified prices as compared to their cost of production as assessed by the Government. After decontrol of phosphatic and potassic fertilizers, subsidy on these fertilizers is also being currently paid to the farmers through the state Governments in order to reduce the net price payable by the farmers.

@Previously Unstarred Question 2853, transferred from 11th December, 1992.

Movement of Molasses in the country

@@3580. DR. SANJAY SINH: Will the PRIME MINISTER be pleased to state:

(a) whether Government propose to lift the inter-state restrictions on the movement of Molasses in the country;

(b) if so, the details thereof; and

(c) if not, reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) A final decision is yet to be taken.

Revival of Sick Fertiliser Units

3581. SHRI ASHIS SEN: Will the PRIME MINISTER be pleased to state:

(a) what is the total foreign exchange requirement to import fertilizers during one cultivation season;

(b) what is the total amount required to revive sick fertiliser units in the country; and

(c) how much employment can be generated in the process?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The planning for import of fertilizers is done for an agricultural/financial year. It is therefore not possible to furnish the foreign exchange requirement for one cultivation season. During 1991-92, various fertilizers were imported at a total cost and freight value of Rs. 1934.19 crores.

(b) An outlay of Rs. 227 crores for M/s Hindustan Fertilizer Corporation Ltd. (HFC) and Rs. 430 crores for M/s Fertilizer Corporation of India Ltd. (FCI) has been included for 8th Five Year Plan for various schemes including revamping and rehabilitation of their units. Actual implementation of the revamping measures will however depend on the technical and the financial viability of the

@@Previously Unstarred Question 2862, transferred from 11th December, 1992.

revamping measures and also availability of funds through budgetary support. It may be stated that as required under the provisions of the Sick Industrial Companies Act, 1985, as amended recently, both FCI and HFC have referred their cases to the Board for Industrial and Financial Reconstruction (BIFR) which has since declared them as sick companies.

(c) Since these outlays have been made to only revive the sick units, no further employment is possible.

Plan to revamp Madras Fertilizers Ltd.

3582. SHRI S. MADHAVAN: Will the PRIME MINISTER be pleased to state:

(a) whether Government have approved any plan to revamp the Madras Fertilizers Ltd.;

(b) if so, what was its cost as on May, 1991 and what is its cost as on date; and

(c) what steps have been taken to implement this plan?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Yes, Sir.

(b) The proposal was approved in May, 1991 at an estimated cost of Rs. 314.35 crores (Based on July, 1990 price level).

The revised cost now anticipated is Rs. 489 crores.

(c) Although the project was approved in May, 1991, its implementation was held in abeyance and revalidated in October, 1991. In the meantime, due to devaluation of Indian rupee and other factors, the cost of the project has increased. The revised estimates are being processed for approval. Govt. have approved in November, 1992 the process licence agreement with foreign consultants.

Rise in Prices of Essential Drugs

3583. SHRI KAMAL MORARKA: Will the PRIME MINISTER be pleased to state:

(a) the production of essential drugs during 1990-91, 1991-92 and 1992-93 up to September 92 and their prices during the above period;

(b) the reasons for decline, if any, in the production of essential drugs and rise in their prices; and

(c) the manner in which the new drug policy addresses to the problem of shortage of essential drugs and rise in their prices?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) To the extent information available, the names of some commonly used bulk drugs whose production is being monitored are given in the enclosed statement. The reasons for fall in production can be attributed to one or a combination of factors like economic viability, drug obsolescence, fall in market demand due to introduction of better or more potent and safer drugs, corporate plans of the unit etc. The prices of price controlled drugs are fixed/revised by the Government on the basis of cost-cum-technical studies conducted by BICP and the escalation formula provided by BICP in their reports and in accordance with the provisions of DPCO 1987. The revision in prices of drugs is an ongoing exercise. These increases are allowed to avoid shortages and to ensure the availability at reasonable prices. The names of bulk drugs whose prices have been revised during the period January to November 1992 with their previous prices and revised prices were given in respect of Rajya Sabha Unstarred Question No. 3807 answered on 3.12.1992.

(c) A background note on the review of the Drug Policy explaining the various issues and the proposals under